



Private Equity Performance Report

Fund Performance Data as of Q4 2011

August 2012

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Preqin currently holds transparent net-to-LP performance data for over 6,000 named private equity funds of all types and geographic focus, representing 70% of all funds ever raised by the industry in terms of aggregate value. Using data from Performance Analyst, Preqin has analyzed the returns generated by private equity partnerships as of 31st December 2011 in order to provide an independent and unbiased assessment of the performance of the private equity industry.

For more information on Performance Analyst, the private equity industry's leading source of fund performance data, please visit: www.preqin.com/pa

1. Private Equity Horizon IRRs

1.1. Horizon IRRs by Fund Type

The one-, three-, five- and 10-year horizon returns as of 31st December 2011 for some of the main private equity fund types are shown in Fig. 1.1. Across all horizon periods shown, all private equity fund types examined are showing positive returns. Over the one-year period, mezzanine funds have the highest returns of 15.7%, with all other fund types, and private equity as a whole, having returns ranging between 7.8% and 9.2%. Over the three- and five-year periods, funds following a buyout strategy have the highest horizon returns, with 15.7% over three years and 6.0% across the five-year period. Venture funds have the lowest returns over these periods, with figures of 7.0% and 2.8% over three and five years respectively. Over the 10-year period, buyout funds are showing the highest return of 19.0%, with mezzanine, fund of funds and venture capital showing ten-year returns of 10.8%, 5.0% and 0.3% respectively.

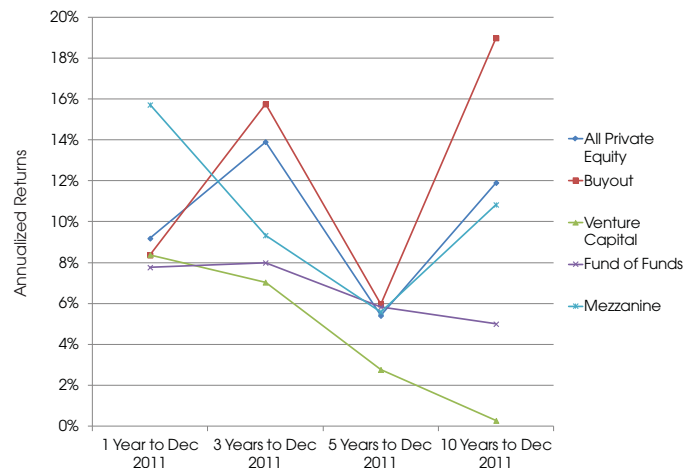
1.2. Private Equity Performance vs. Public Indices

The annualized returns over the one-, three-, five- and 10-year periods for private equity, and those for a selection of public indices, are illustrated in Fig. 1.2. Across the one-year period to 31st December 2011, private equity has a return of 9.2%, while the returns are 13.9% over three years, 5.4% across five years, and 11.9% over the 10-year period.

Returns for the public indices show that over the one-year horizon the S&P 500 is in the black, posting a return of 2.1%, but the MSCI Europe and Emerging Markets indices are both in the red. The three-year returns for the public indices are all in the black, whereas over five-years the MSCI Emerging Markets is in the black and the S&P 500 and MSCI Europe are returning -0.3% and -5.2% respectively. Across the 10-year horizon, the MSCI Emerging Markets generated 13.9%, with the S&P 500 returning 2.9%, and MSCI Europe 4.4%.

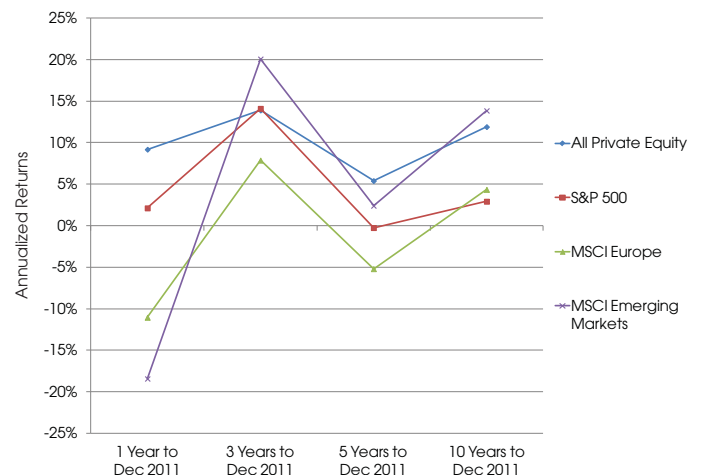
It should be noted that any comparisons made between private equity and public markets should be viewed with caution and in the correct

Fig. 1.1: Private Equity Horizon IRRs as of 31st December 2011



Source: Preqin Performance Analyst

Fig. 1.2: Private Equity Horizon IRRs vs. Public Indices as of 31st December 2011



Source: Preqin Performance Analyst

context. As the private equity asset class is illiquid and investors' capital is locked up over a long period of time, the horizon returns are not as relevant for private equity as they are for listed equity.

1.3. Rolling One-Year Horizon IRRs

Fig. 1.3 displays the rolling one-year horizon IRRs from June 2008 to December 2011 for buyout funds, venture capital funds, and private equity as a whole. It is noticeable that the December figures across the industry are down, with private equity overall posting a return of 9.2%, down from 12.8% in the year to 30th September 2011 and 24.1% in the year to 30th June 2011. The one-year returns to 31st December 2011 for both buyout and venture capital funds stand at 8.4%.

From the graph it can be seen that returns for buyout funds and all private equity follow each other closely. Buyout funds account for the largest amount of capital in the private equity fund industry and so it is no surprise to see such a high correlation. Venture funds follow a similar pattern but to a lesser extent, with smaller losses during the downturn and smaller gains once the industry began to recover.

1.4. Buyout Fund Horizon IRRs by Fund Size

The horizon returns through December 2011 are shown in Fig. 1.4. Funds classified as small buyout are generating the highest returns of 12.8% over the one-year period. Over the three-year period to December 2011 mega buyout funds have generated a return of 16.9%, with the other fund sizes producing IRRs around the 13.0% mark. Across the five-year timeframe small buyout funds return 10.2%, large buyout funds 8.5%, mid-market buyout funds 8.0% and mega buyout funds 4.8%.

1.5. Regional Horizon IRRs

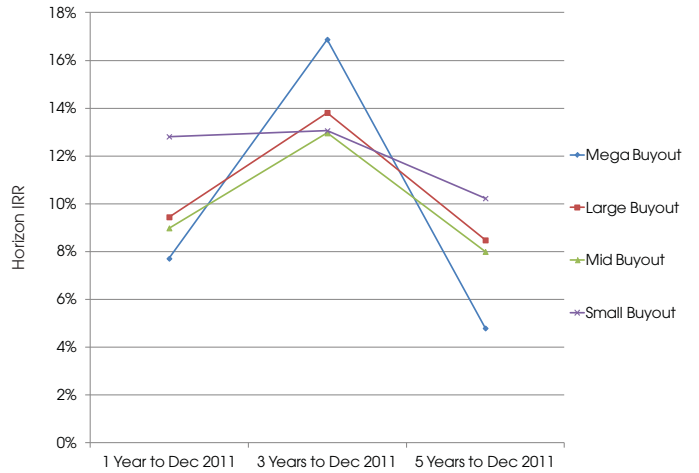
Horizon returns for funds primarily focusing on each of North America, Europe and Asia are shown in Fig. 1.5. It can be seen that one-year returns for primarily Asia-focused funds through December 2011 currently stand at -1.8%, with Europe-focused funds at 7.4% and North America-focused funds at 10.9%. Returns over the three-year period are the highest of the time horizons shown, with Europe-focused funds generating 16.0%, North America-focused funds 13.5% and Asia-focused funds 12.0%. Across the five-year period European funds post returns of 6.0%, North American funds 5.4% and Asian funds 2.9%.

Fig. 1.3: Rolling One-Year Horizon IRRs



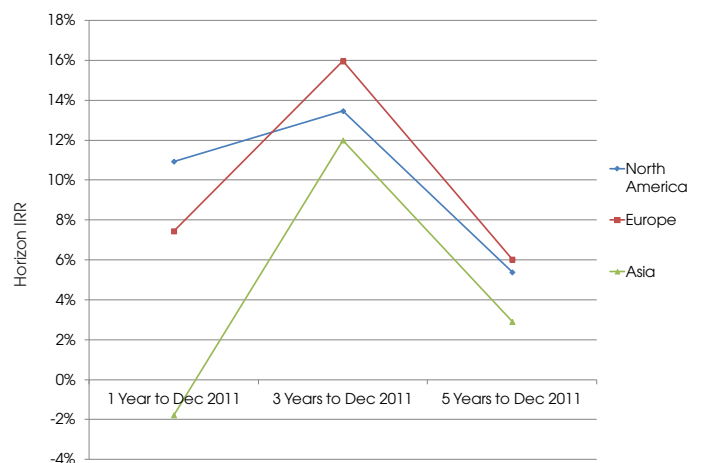
Source: Preqin Performance Analyst

Fig. 1.4: Buyout Horizon IRRs by Fund Size* as of 31st December 2011



Source: Preqin Performance Analyst

Fig. 1.5: Horizon IRRs by Fund Primary Regional Focus as of 31st December 2011



Source: Preqin Performance Analyst

* Size Ranges:
 Vintage 1992-1996: Small Buyout ≤ \$200mn, Mid Buyout \$201-500mn, Large Buyout > \$500mn
 Vintage 1997-2004: Small Buyout ≤ \$300mn, Mid Buyout \$301-750mn, Large Buyout \$751mn-\$2bn, Mega Buyout > \$2bn
 Vintage 2005-2012: Small Buyout ≤ \$500mn, Mid Buyout \$501mn-\$1.5bn, Large Buyout \$1.51-4.5bn, Mega Buyout > \$4.5bn

2. Private Equity Net Asset Values

2.1. Quarterly Change in NAV by Quarter

The average quarterly changes in net asset value (NAV) for all private equity funds between March 2011 and December 2011 are shown in Fig. 2.1. For the first two quarters of 2011, both the weighted and non-weighted NAVs experienced increases. Over the third quarter of 2011, the weighted NAV fell by 5.1% and the non-weighted NAV fell by 2.8%, suggesting that the larger funds were more affected by the market uncertainty caused by concerns over European sovereign debt during this time. Both the weighted and non-weighted metrics increased by a similar amount during Q4 2011, by 2.0% and 2.2% respectively.

2.2. Quarterly Change in NAV by Fund Type

Fig. 2.2 shows the average quarterly non-weighted changes in NAV over 2011 for a selection of the main private equity strategies. It can be seen that the NAVs for all funds types increased every quarter throughout 2011 except in Q3, when buyout, fund of funds and venture capital, as well as private equity as a whole, all experienced decreases in average NAV.

The largest quarterly increase in average NAV over the periods shown was for secondaries funds in Q2 2011, at 8.0%. It should be noted that performance data for fund of funds and secondaries vehicles generally lags by a quarter due to the reporting schedules of the underlying funds.

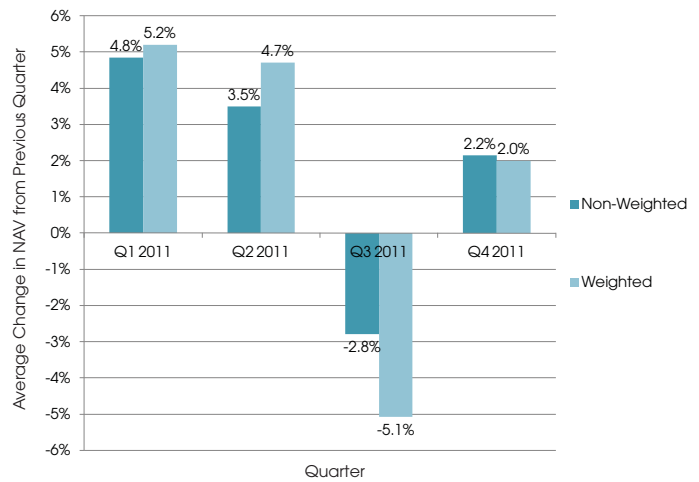
2.3. Annual Change in NAV by Buyout Fund Size

The annual change in NAV for buyout funds by fund size is shown in Fig. 2.3. All buyout fund size groups show annual increases to each quarter in 2011, with increases of greater than 14.0% for all fund sizes for the one-year periods to Q1 2011 and Q2 2011. Mega and large buyout funds had the largest increases during these periods; however, it is important to note that the larger buyout funds typically use more leverage and as a result were more significantly affected by the financial crisis, suffering larger write-downs in portfolio valuations than the smaller funds. As such the larger funds have had more ground to make up. For the one-year periods to Q3 and Q4 2011, the increases were smaller than in the first two quarters for each size group. Large buyout funds had the highest one-year increase to September 2011 with a figure of 11.5%. For the one-year period to December 2011, the increases in net asset value for all fund sizes are smaller still, but large buyout funds still had the highest annual increase during this period of 8.4%.

2.4. Listed Private Equity Funds: Trends and Developments

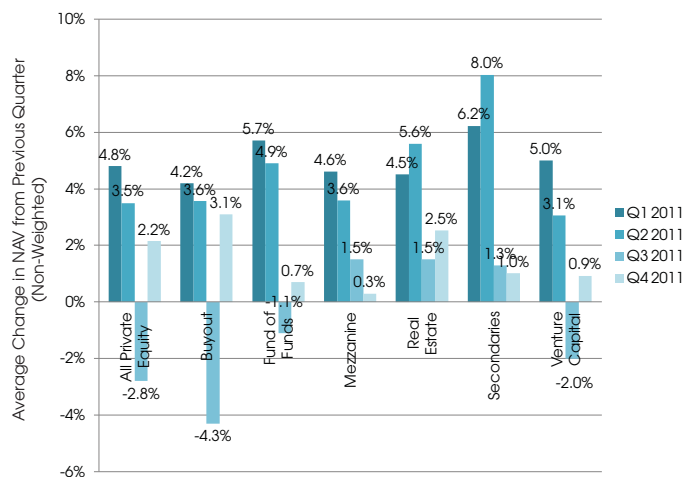
The listed private equity market offers an alternative to the traditional closed-end private equity fund model, with investors able to gain exposure to private equity without the need to commit large sums of capital. Listed private equity vehicles often report their results earlier than unlisted private equity funds and can therefore act as an indicator of the performance of more traditional private equity funds.

Fig. 2.1: All Private Equity Change in NAV by Quarter



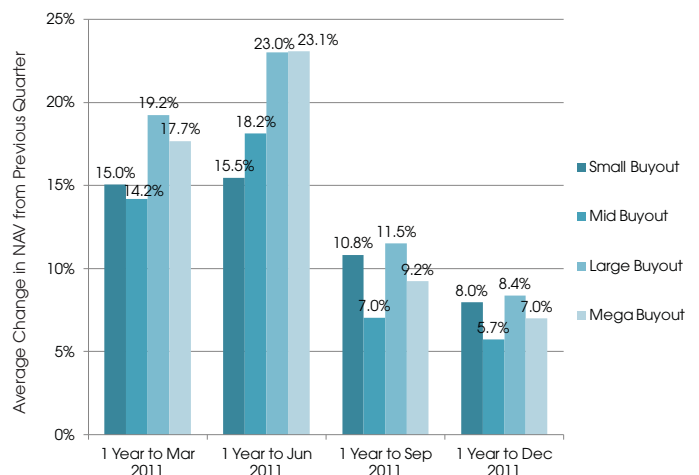
Source: Preqin Performance Analyst

Fig. 2.2: Quarterly Change in NAV by Fund Type



Source: Preqin Performance Analyst

Fig. 2.3: Annual Change in Buyout NAV by Fund Size*



Source: Preqin Performance Analyst

* Size Ranges:

Vintage 1992-1996: Small Buyout ≤ \$200mn, Mid Buyout \$201-500mn, Large Buyout > \$500mn
 Vintage 1997-2004: Small Buyout ≤ \$300mn, Mid Buyout \$301-750mn, Large Buyout \$751mn-\$2bn, Mega Buyout > \$2bn
 Vintage 2005-2012: Small Buyout ≤ \$500mn, Mid Buyout \$501mn-\$1.5bn, Large Buyout \$1.51-4.5bn, Mega Buyout > \$4.5bn

2.5. Average Change in NAVPS and Share Price of Listed Private Equity by Quarter

Fig. 2.4 shows the average quarterly changes in net asset value per share (NAVPS) and share price for listed private equity. As one might expect, share prices tend to be more volatile than NAVPS, and the largest average change in share price for the period shown came in Q4 2008, with a fall of 39.6%. Following another fall in the following quarter, Q2 and Q3 2009 both saw strong share price growth, with increases of 29.2% and 25.4% respectively. NAVPS increased in every quarter from Q3 2009 to Q4 2010, but fell overall in 2011. However, the first quarter of 2012 saw an increase in NAVPS of 8.1%, with an average increase in share price of 2.0%.

3. Performance by Vintage

3.1. Median Net IRRs by Fund Type

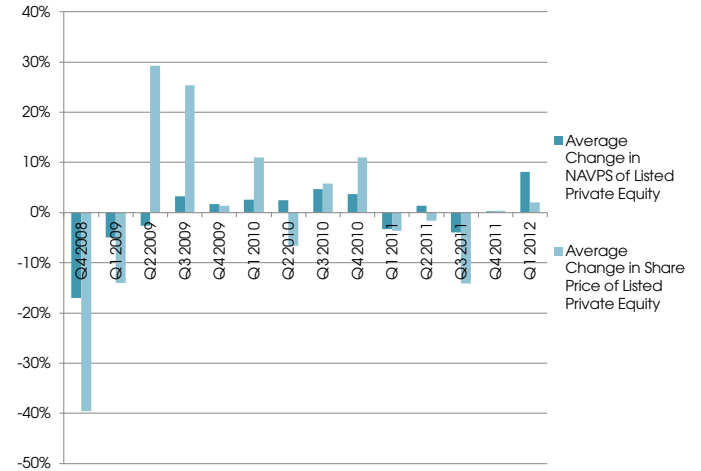
Fig. 3.1 shows the median net IRRs as of 31st December 2011 by vintage year for buyout funds, venture capital funds, real estate funds, and private equity as a whole. For all vintages between 1999 and 2004, venture funds have the lowest median returns, primarily as a result of the dot-com crash.

The highest buyout fund median IRR is for the 2001 vintage, with a figure of 29.0%, while real estate funds experience their peak with vintage 2002 funds. Vintage 2005 and 2006 real estate funds currently have negative median IRRs as these funds were among the most affected during the market turmoil of 2008 and 2009, and have failed to recover as much as other fund types since. For vintage 2008, median returns across all fund types range between 6.1% and 8.6%, but it should be noted that these funds are still early in their fund lives and returns could change as fund managers seek to add value to their investments.

3.2. J-Curves of Net IRR

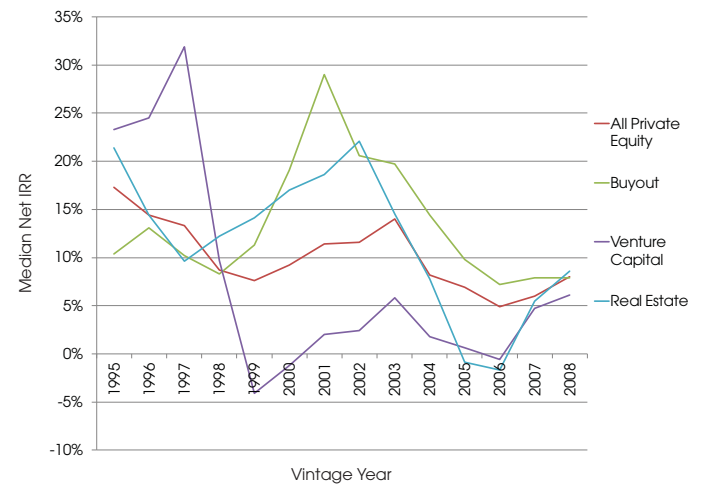
'J-Curves', which show the trajectory of private equity returns over the life of a fund, are shown in Fig. 3.2 for vintages 2005 to 2009. J-Curves are found by plotting the median net IRR for each vintage at each quarter-end. Returns tend to be in the red for the early part of a typical private equity fund's life, and then transition into the black as the investment cycle progresses and fund managers add value to their investments and begin to distribute capital back to investors. For all vintages in the sample, median net IRRs are positive as at 31st December 2011. As a result of the turmoil in financial markets during 2008 and 2009, the trajectories of vintage 2005 and 2006 funds resemble 'W-curves' as funds experienced sharp falls in portfolio valuations followed by subsequent increases as markets recovered. It is noticeable that vintage 2009 funds are currently posting a return of 11.7%; furthermore, the median returns for this vintage moved into the black towards the end of the first year of investment, whereas the majority of the other vintages achieve this at a later stage in their investment cycle.

Fig. 2.4: Change in NAVPS and Share Price of Listed Private Equity by Quarter



Source: Preqin Performance Analyst

Fig. 3.1: Median Net IRRs by Fund Type as of 31st December 2011



Source: Preqin Performance Analyst

Fig. 3.2: All Private Equity - J-Curve: Annual Median Net IRRs by Vintage



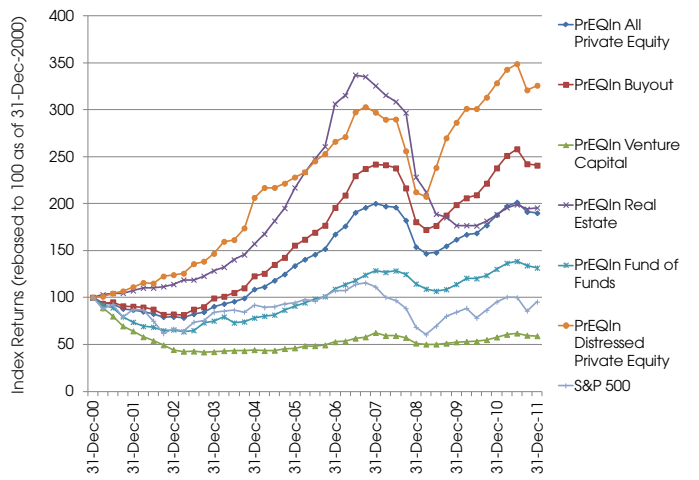
Source: Preqin Performance Analyst

3.3. PrEQIn Private Equity Quarterly Index

Fig. 3.3 shows the PrEQIn All Private Equity, Buyout, Venture Capital, Real Estate, Fund of Funds and Distressed Private Equity Indices together with the S&P 500 rebased to 100 as of 31st December 2000. An examination of these indices gives an insight into the performance of the main private equity fund types in comparison to each other and to the industry as a whole. It should be noted that the last two quarters are subject to change, with the former being in the advanced stages and the latter being in the early stages of data collection.

All of the PrEQIn Indices show a decline in the last quarter of 2011 with the exception of PrEQIn Real Estate and PrEQIn Distressed Private Equity, which show increases of 0.7% and 1.5% respectively. The PrEQIn All Private Equity Index saw a decrease from 191.1 in Q3 2011 to 189.9 in Q4 2011. The PrEQIn Distressed Private Equity Index is currently the best performing strategy, standing at 325.8 as of 31st December 2011, followed by the PrEQIn Buyout Index at 240.7. The PrEQIn Real Estate, Fund of Funds and Venture Capital Indices currently stand at 195.6, 131.5 and 59.0 respectively as of 31st December 2011. The S&P 500 stands at 95.3 as of the end of 2011, demonstrating how most private equity strategies have provided higher returns over the period shown. However, it is important to view these returns in context, as private equity is an illiquid asset class with capital usually locked up over a long period of time.

Fig. 3.3: PrEQIn Index: All Strategies



Source: Preqin Performance Analyst



Prequin Private Equity Performance Analyst

Performance Analyst is the most comprehensive, detailed source of private equity performance data available today. Prequin's team of analysts collect and monitor data from a number of different sources, including from GPs themselves, in order to provide the most comprehensive private equity performance data available.

All of our performance data conforms to the same standardized metrics, with all data representing net-to-LP returns. We currently hold transparent net-to-LP performance data for over 6,000 private equity funds of all types and geographic focus. In terms of aggregate value, this represents around 70% of all capital ever raised.

This high level of coverage enables us to produce the most meaningful benchmarking and comparative tools available in the industry.

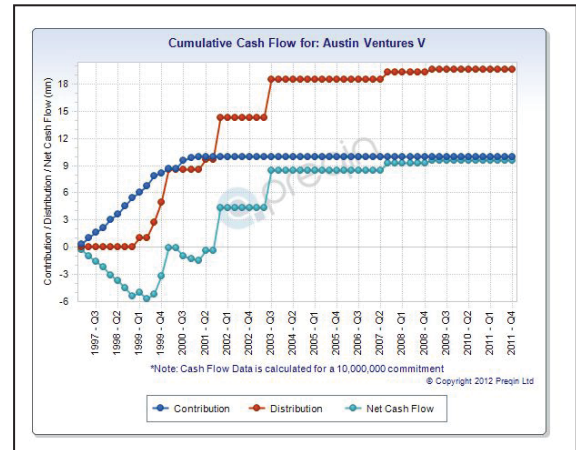
Key features of this powerful database include:

- View performance data online: for private equity funds worldwide. Compare individual funds against each other and the appropriate benchmarks.
- Compare funds of all types: venture, buyout, mezzanine, distressed, special situations, real estate, natural resources, fund of funds, secondary.
- Assess key performance data for each fund: size, vintage, type, called-up, distributed, unrealised value, multiple, IRR.
- View historic performance for over 36,000 data points to assess how performance data has changed overtime (Premium access required).
- Keep current with developments: with monthly updates you always have access to the latest data.
- View cash flow graphs for over 2,000 funds: assess how quickly funds have called and distributed capital and what their net cash flow position is.
- Select, compare and analyze funds according to your criteria: by type, size, vintage year etc.
- Assess each firm's long-term track record: quartile performance over several fund generations.
- Median, pool, weighted and average Benchmarks: view fully transparent market benchmarks by fund type and region focus. Benchmarks data is available for called-up, distribution, value and top, median and bottom quartile IRRs and multiples. View details of constituent funds behind the benchmarks.
- Top performing GPs: view a list of firms that have consistently had funds ranked in the 1st and 2nd quartiles.
- Unlimited Excel downloads for further analysis (Premium access required).
- Create a tailored peer group of funds for comparative purposes.

Performance Analyst - Market Benchmarks

US / Venture (Median) - 30 September, 2008

Year	Median Fund	Multiple	IRR	Value	Called	Distributed	Rem. Value	Net IRR
2007	29	23.2	9.2	35.2	9.95	9.26	9.78	10.00
2008	45	22.8	9.0	47.1	11.04	9.82	9.80	9.8
2009	25	22.2	9.0	38.9	11.24	10.00	12.2	12.2
2010	17	22.9	9.2	35.2	1.26	1.27	9.9	10.0
2011	28	24.9	10.0	42.0	1.48	1.07	9.92	10.0
2012	17	22.9	9.2	35.2	1.26	1.27	9.9	10.0
2013	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2014	45	22.8	9.0	47.1	11.04	9.82	9.80	9.8
2015	45	22.8	9.0	47.1	11.04	9.82	9.80	9.8
2016	45	22.8	9.0	47.1	11.04	9.82	9.80	9.8
2017	45	22.8	9.0	47.1	11.04	9.82	9.80	9.8
2018	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2019	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2020	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2021	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2022	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2023	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2024	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2025	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2026	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2027	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2028	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2029	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0
2030	23	24.0	10.0	42.0	1.48	1.07	9.92	10.0



Apollo Investment Fund V

Data | Cash Flow Charts | Historic Data | Portfolio Companies

Fund Details

Vintage	Type	Size (Mn)	Firm	As At:	Quartile:
2001	Buyout	3,742 USD	Apollo Global Management	30-Sep-2011	1 st

Industry Focus: Diversified

Location Focus: North America, US

Performance Overview

	Called (%)	Distributed (%) DPI	Rem. Value (%) RVPI	Multiple (X)	Net IRR (%)
Apollo Investment Fund V	92.7	223.9	40.1	2.64	38.1
Median Fund: 2001 / US / Buyout	95.7	171.9	28.6	1.89	24.4
Apollo Investment Fund V vs Median	-2.9	52.0	11.5	0.75	13.7

Performance Analyst (Standard)
USD 2,150 / EUR 1,550 / GBP 1,295

Performance Analyst (Premium)
USD 4,295 / EUR 3,075 / GBP 2,595

For a demo or to find out more about this product, please visit www.prequin.com

About Preqin

Preqin provides private equity information products and services to private equity firms, funds of funds, investors, placement agents, law firms, investment banks and advisors across the following main areas:

- Fund Performance
- Fundraising
- Investor Profiles
- Fund Terms
- Fund Manager Profiles
- Buyout Deals
- Employment and Compensation

Our customers can access this market intelligence in three different ways:

- Hard copy publications
- Online database services
- Tailored data downloads

Preqin regularly releases research and information on fundraising and all other aspects of the private equity industry as both research reports, and as part of our monthly Spotlight newsletter. To register to receive more research and analysis, please visit www.preqin.com/research

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